

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6627

BILL NUMBER: SB 407

NOTE PREPARED: Mar 12, 2012

BILL AMENDED: Mar 9, 2012

SUBJECT: Pharmacy Matters.

FIRST AUTHOR: Sen. Grooms

FIRST SPONSOR: Rep. Welch

BILL STATUS: Enrolled

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: *Hospitals with Type II Pharmacy Permit-* The bill allows a hospital holding a Type II pharmacy permit to offer drugs and devices to certain individuals who work or volunteer at the hospital and their dependants.

Maximum Supervision- The bill allows a pharmacist to supervise not more than six licensed pharmacy technicians or pharmacy technicians in training at any time. (Currently, a pharmacist may supervise not more than four licensed pharmacy technicians or pharmacy technicians in training.)

Issuing Technician Certificate- The bill prohibits the Indiana Board of Pharmacy from issuing a pharmacy technician certificate to an individual who has been convicted of a felony involving controlled substances.

90-Day Prescription Supply- The bill allows a pharmacist, upon request of the patient, to dispense a 90-day supply of a prescription under specified circumstances. The bill requires the pharmacist to notify the prescriber of the change in the quantity filled and inform the customer concerning whether the additional drug supply of the prescription is covered under the patient's insurance.

Pharmacy Audits- The bill specifies pharmacy audit requirements, including notice procedures and limitations on an initial audit and onsite audits. The bill requires a period of at least 30 days during which a pharmacy may appeal preliminary audit report findings. The bill provides for the correction of clerical errors.

Health Finance Commission- The bill requires the Health Finance Commission (HFCO) to study the following during the 2012 legislative interim: (1) the issue of certain pharmacies and whether any limitation should be

placed on the dispensing of a prescription drug by the pharmacies; and (2) specified health insurance plans and the number of covered people with copayments, coinsurance amounts, and out-of-pocket costs incurred for prescription drugs that exceed specified amounts for the coverage.

Effective Date: July 1, 2012.

Explanation of State Expenditures: *Issuing Technician Certificate*- This provision would likely have minimal impact on the Professional Licensing Agency's administrative responsibilities of issuing technician certificates.

Health Finance Commission: The HFCO has 24 legislative members, consisting of the members of the Senate Health and Provider Services Committee and the members of the House of Representatives Public Health Committee. The HFCO operates under the policies governing study committees adopted by the Legislative Council. Legislative Council resolutions in the past have established budgets for interim study committees in the amount of \$16,500 per interim for committees with more than 16 members. The HFCO should be able to add these two study topics to their plan of work within the likely committee budget.

The bill would require the State Personnel Department and the Department of Insurance to report on the number of covered individuals that have out-of-pocket costs for prescription drugs that exceed specified monthly amounts. The Office of Medicaid Policy and Planning would be required to report on the number of individuals that become eligible for Medicaid as a result of the cost of prescription drugs. The agencies should be capable of reporting to the HFCO within the current level of resources available.

Background Information: *Medicaid:* The current Medicaid policy for maintenance medications limits the dispensed quantity to no more than a 100-day supply. A maintenance medication is defined as a drug that is prescribed for chronic, long-term conditions and is taken on a regular recurring basis.

Nonmaintenance medications are limited to no more than a 34-day supply per dispensation. If the bill would permit a pharmacist to dispense a 90-day supply upon the patient's request, Medicaid would still pay for no more than a 34-day supply.

Employee Healthcare Benefits: Employee benefit plan drug policies would prevail as well. A patient may request a 90-day supply, but benefit plans would pay for the quantities of a dispensed medication as controlled by the particular plan policy.

Explanation of State Revenues:

Explanation of Local Expenditures: *Employee Healthcare Benefits:* Employee benefit plan drug policies would prevail. A patient may request a 90-day supply, but benefit plans would pay for the quantities of a dispensed medication as controlled by the particular plan policy.

Explanation of Local Revenues:

State Agencies Affected: Professional Licensing Agency; Board of Pharmacy; State Personnel Department; Department of Insurance; LSA.

Local Agencies Affected:

Information Sources: OMPP, FSSA

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